

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

Application of Southern California Edison Company (U 338-E) For Authority to, Among Other Things, Increase Its Authorized Revenues For Electric Service in 2003, And to Reflect That Increase in Rates.

Application 02-05-004
(Filed May 3, 2002)

Investigation on the Commission's Own Motion into the Rates, Operations, Practices, Service and Facilities of Southern California Edison Company.

Investigation 02-06-002
(Filed June 6, 2002)

**ASSIGNED COMMISSIONER'S RULING
REGARDING MODELING PROCEDURES**

1. Summary

This ruling proposes procedures governing the production of computer model runs using Southern California Edison Company's (SCE's) results of operations (RO) model to generate tables needed for decision support. Parties may file comments on these proposed procedures by May 8, 2003. Reply comments may be filed and are due on May 15, 2003.

2. Background

The Commission relies on the Energy Division to produce RO model runs that reflect and support the Administrative Law Judge's (ALJ's) proposed decision, (PD), any alternate decision, and the Commission's final decision in general rate cases. In Pacific Gas and Electric Company's (PG&E's) Test Year (TY) 1999 general rate case (GRC) (A.97-12-020, et al.), Energy Division required

PG&E's assistance to produce the model runs needed for decision support. To avoid the possibility that a party would gain an unfair advantage through obtaining information about the PD or any alternate decision prior to public issuance thereof, the Assigned Commissioner and the ALJ established procedures governing the production of computer model runs in that proceeding. The Assigned Commissioner's May 21, 1999 and November 3, 1999 Rulings in that proceeding established procedures that, among other things, required PG&E modeling representatives who assisted Energy Division to comply with a Protective Order. The Protective Order governed the use of protected materials, including confidential written or oral communications from the Commission's Energy Division or ALJ Division relating to the contents of the PD or any alternate decision prior to public issuance thereof. PG&E witnesses in that proceeding could not act as modeling representatives. A June 14, 1999 ALJ's Ruling in A.97-12-020 et al. adopted an additional procedure requiring PG&E to notify all parties to the proceeding any time PG&E witnesses were contacted to answer questions relating to the RO modeling.

3. Proposed Modeling Procedures for this Proceeding

SCE and ORA have utilized an RO model to present their revenue requirement recommendations in this proceeding. Energy Division is responsible for generating the RO tables for the PD, any alternates, and the final decision. For decision support, Energy Division will utilize the model that SCE and ORA have used.

The RO model being used in this proceeding is accessible on a stand-alone personal computer and Energy Division is currently working with it. While Energy Division finds the model to be reasonably accessible, one must have experience running it to generate RO tables that accurately reflect various

expense and capital cost assumptions. SCE and ORA have the most experience with the model. It is also important to note that ORA made some modifications to the model, as reflected in ORA's October 17, 2002 testimony.

Depending on the resolution of issues affecting the revenue requirement in this proceeding, it may become necessary for Energy Division to request assistance from SCE and/or ORA personnel in running the model for decision support. Accordingly, I find that it is necessary to establish procedures that assure the requisite fairness and confidentiality of the RO modeling process. Attached to this Ruling are the procedures that I propose. They are based on those established in A.97-12-020, et al., as described above. Attachment 1 to this Ruling sets forth proposed modeling procedures and Attachment 2 sets forth the attendant proposed Protective Order. Their purpose is to assure the confidentiality of the Commission's deliberative process should it become necessary to allow representatives of parties to this proceeding to gain access to information about the proposed decision or any alternate decision prior to public issuance.

The proposed modeling procedures require that if they provide assistance to Energy Division, SCE and/or ORA would designate modeling representatives who would abide by the Protective Order until after issuance of a final decision in Phase 1 of this proceeding which adopts SCE's TY 2003 revenue requirement. The proposed procedures differ from those used in PG&E's TY 1999 GRC in that they do not prohibit witnesses from acting as modeling representatives. That is because if ORA provides modeling assistance to Energy Division, those likely to be called on for assistance would have been ORA witnesses.

4. Request for Comments on Proposed Modeling Procedures

Parties may file comments on the proposed Modeling Procedures and Protective Order included in Attachments 1 and 2 of this Ruling by May 8, 2003. Parties may file reply comments on May 15, 2003.

Comments should address any modifications to the proposed procedures that parties believe are necessary. I am particularly interested in ORA's and SCE's ability and willingness to provide modeling assistance to Energy Division and to abide by the proposed Protective Order until after a final decision is issued. Parties may also propose alternative procedures in their comments.

IT IS RULED that parties may file comments on the Proposed Modeling Procedures and Protective Order included in Attachments 1 and 2 to this Ruling by May 8, 2003. Parties may file reply comments by May 15, 2003.

Dated April 30, 2003, at San Francisco, California.

/s/ CARL WOOD
Carl Wood
Assigned Commissioner

ATTACHMENT 1

PROPOSED RESULTS OF OPERATIONS (RO) MODELING PROCEDURES

Upon request of the Energy Division Director or his designee(s), SCE and/or the Office of Ratepayer Advocates (ORA) will provide all necessary assistance to the Energy Division in running the RO model used by SCE in Phase 1 of A.02-05-004 et al. to produce tables required for the proposed decision, any alternate decision, and the final Commission decision. The following requirements shall govern the modeling process:

Model run(s) shall be performed at the Commission offices under the supervision, oversight, and control of the Energy Division Director and his designee(s).

Model run(s) shall be performed using computer hardware, software, and media installed or placed in the Commission Offices. All such hardware, software, and media, and all related notes, worksheets, workpapers and computer output, shall remain in the custody of the Energy Division Director or his designee(s), and shall not be removed from the Commission Offices until 30 days after issuance of a final Commission decision which incorporates the model run, provided, however, that to the extent needed for issuance of the decision and issuance of supporting workpapers, media, notes, worksheets, and computer output may be released on and after the date of issuance of the proposed or alternate decision.

The computer equipment used to perform model runs shall be "stand-alone," i.e., it shall not be connected with any other computer, computer system, or any other device which would allow communication of information in the model, model run, or inputs or outputs.

Before obtaining access to any information contained in or pertaining to the draft proposed decision or any alternate decision (prior to the issuance of a final decision adopting SCE's Test Year 2003 revenue requirement in Phase 1 of A.02-05-004, et al.), each employee, agent, or representative of SCE and/or representative of ORA involved in the modeling shall sign a certificate assuring compliance with the protective order attached hereto.

The Energy Division Director or his designee(s), shall determine that each SCE employee, agent, or representative and representative of ORA who receives access to information about the contents of the proposed decision and any alternate decision has first signed a certificate of compliance with the protective order.

As soon as practicable after the date of issuance of the proposed decision and, if applicable, alternate decision, and no later than seven days after the date of such issuance, Energy Division, and if necessary with the assistance of employees, agents, or representatives from SCE and/or representative of ORA having signed a certificate of compliance with the protective order, shall serve workpapers associated with this modeling upon each party of record making prior written request for them. Workpapers associated with the model run supporting the ALJ's proposed decision shall be designated Late-Filed Exhibit 405. If it is necessary for Energy Division to prepare and issue an alternative set of workpapers in connection with one or more alternate decisions, Late-Filed Exhibits 406-410 are reserved for this purpose. Workpapers may be served in electronic form. To the extent that Energy Division believes that the workpapers would contain confidential information, it will consult with SCE and, if necessary, SCE may file a motion for a protective order to address or limit the parties or individuals who may receive the workpapers. The protective order attached hereto is only designed to prevent disclosure of confidential information prior to the issuance of the final

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decision adopting SCE's Test Year 2003 revenue requirement
in Phase 1 of A.02-05-004 et al.

(END OF ATTACHMENT 1)

ATTACHMENT 2

PROPOSED PROTECTIVE ORDER

1. This Protective Order shall govern the use by Southern California Edison Company (SCE) or any of its employees, representatives or agents and representatives of the Commission's Office of Ratepayer Advocates (ORA) of all protected materials as defined herein. "Protected Materials" include confidential written or oral communications from the staff of the Commission's Energy Division or ALJ Division, or any Commissioner or Commissioner's advisor, which reflect or relate to the contents of the draft proposed decision or any alternate decision prior to the public issuance of a final decision in Phase 1 of A.02-05-004 et al. adopting SCE's Test Year 2003 revenue requirement. "Protected Materials" also include all computer hardware, software or media, notes, worksheets, workpapers, computer inputs, computer outputs, or any other documents which relate to these written or oral communications from the Energy Division staff.
2. The term "Certificate of Compliance" shall mean the certificate annexed hereto by which SCE employees, representatives or agents, and/or representatives of ORA who will be granted access to Protected Materials, shall certify their understanding that access to Protected Materials is provided pursuant to the terms and restrictions of this Protective Order, and that they have read the Protective Order and agree to be bound by it. No SCE employee, representative or agent, or representative of ORA will be permitted access to any Protected Materials without first having signed and dated a Certificate of Compliance. Prior to such access, SCE and ORA shall provide the Commission's Energy Division with the original of each Certificate of Compliance, that has been executed, and shall serve a copy of each Certificate of Compliance on all parties on the Commission's service list in this proceeding.
3. The term "Reviewing Representative" shall mean each SCE employee, representative or agent, and representative of ORA who has signed a Certificate of Compliance and been granted access to the Protected Materials. Each Reviewing Representative shall treat as confidential the Protected Materials and shall not disclose in any manner any information contained in or relating to the Protected Materials to any person, except another Reviewing Representative or an employee of the Commission involved in the decision-making process in this proceeding (excluding Office of Ratepayer Advocates'.

employees not having signed the certificate of compliance with the Protective Order), until after issuance of a final decision in Phase 1 of A.02-05-004 et al. adopting SCE's Test Year 2003 revenue requirement.

4. A supervisor in SCE management or ORA management, who has authority over each Reviewing Representative, shall instruct each Reviewing Representative to read and agree to comply with this Protective Order. The supervisor in SCE management or ORA management shall also take all reasonable and necessary steps to ensure that nobody at SCE or ORA attempts to learn from any Reviewing Representative the contents of any Protected Materials prior to the issuance of the final decision in Phase 1 of A.02-05-004 et al. adopting SCE's Test Year 2003 revenue requirement.
5. Any violation of this Protective Order shall constitute a violation of an order of the Commission.

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PROPOSED CERTIFICATE OF COMPLIANCE

I hereby certify my understanding that access to Protected Materials is provided to me pursuant to the terms and restrictions of the Protective Order in this proceeding, that I have been given a copy of and read the Protective Order, and that I agree to be bound by it. I understand that the contents of the Protected Materials and any notes or any other form of information that relates to the Protected Materials shall not be disclosed to anyone other than in accordance with that Protective Order. I acknowledge that a violation of this certificate constitutes a violation of an order of the Public Utilities Commission of the State of California.

By: _____

Title: _____

Date: _____

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(END OF ATTACHMENT 2)

CERTIFICATE OF SERVICE

I certify that I have by mail this day served a true copy of the original attached Assigned Commissioner's Ruling Regarding Modeling Procedures on all parties of record in this proceeding or their attorneys of record. In addition, service was also performed by electronic mail.

Dated April 30, 2003, at San Francisco, California.

/s/ FANNIE SID

Fannie Sid

N O T I C E

Parties should notify the Process Office, Public Utilities Commission, 505 Van Ness Avenue, Room 2000, San Francisco, CA 94102, of any change of address to insure that they continue to receive documents. You must indicate the proceeding number on the service list on which your name appears.